

SENATE BILL 333
By Springer

AN ACT to amend Tennessee Code Annotated, Title 68 and Title 71, relative to alcohol and drug abuse services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The bureau of TennCare shall not administer any state or federal funds from the Alcohol and Drug Abuse Block Grant. Divisions of the department of health that are not part of the bureau of TennCare shall administer such funds.

SECTION 2. The bureau of TennCare shall not administer programs for alcohol and drug treatment for residential detoxification, residential rehabilitation, partial and day treatment, intensive outpatient treatment, and non-intensive outpatient treatment. Divisions of the department of health that are not part of the bureau of TennCare shall administer such programs.

SECTION 3. Divisions of the department of health that are not part of the bureau of TennCare shall hire staff or contract with appropriate not-for-profit providers to administer such programs. If the department contracts for administrative services, such contracts shall not compensate on the basis of a capitated or per diem reimbursement basis. The department shall contract on the basis of a flat rate contract. Contractor administrative overhead or surplus income shall not exceed five percent (5%) of the gross contract amount.

SECTION 4. To obtain services for an eligible recipient, patient or client, an approved not-for-profit provider shall obtain pre-authorization for treatment from the department of health or its administrative contractor through a toll-free telephone number. All authorization shall be

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on a case rate basis for all necessary treatment without regard to modality, cost to provider, or length of treatment up to one (1) year. An approved not-for-profit provider shall guarantee treatment for one (1) full year under the single case rate. The case rate shall be charged Medicaid or alcohol and drug abuse block grant funding on the basis of client eligibility factors.

SECTION 5. Approved providers of alcohol and drug abuse services shall be selected on the basis of competency and geographic coverage for the various modalities for both adults and adolescents. The number of approved providers shall be limited to assure an adequate volume to provide fiscal stability to the provider system. Approved providers shall guarantee availability of treatment for all TennCare-eligible covered lives.

SECTION 6. The department of health shall provide for evaluation of treatment programs and providers through outcome and other studies. At a minimum such studies shall measure abstinence for alcohol and all other drugs of abuse, employment and educational status, and record of new arrests at twelve (12) months after final discharge.

SECTION 7. The department of health or its administering contractor shall use ASAM criteria to determine eligibility for treatment under the case rate.

SECTION 8. Dual diagnosis clients will be treated for alcohol and drug abuse problems only after the client has been stabilized psychiatrically through TennCare or another provider system.

SECTION 9. Approved not-for-profit providers which the department of health has contracted with pursuant to this act shall coordinate their services with TennCare and other necessary medical and social services.

SECTION 10 . The commissioner of health is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 11. This act shall take effect January 1, 1998, the public welfare requiring it.

